

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0994-02
Bill No.: SB 255
Subject: Attorney General, State; Auditor, State; Campaign Finance; Elections; Ethics;
General Assembly; Governor and Lt. Governor; Treasurer, State
Type: Original
Date: February 24, 2011

Bill Summary: This proposal institutes campaign contribution limits and designates city and county committees as political party committees for the purposes of campaign finance.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$15,120)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$15,120)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Ethics Commission (MEC)** assume that expanding the definition of Political Party Committee to include one county party committee, per county, per political party and one city party committee, per city, per political party would require the following of MEC:

Provide information to those committee officers and the public as specified in the Commission duties in Section 105.491, 105.955.14 (4), RSMo. about the new statutory requirements; examples include providing education, developing informational materials, telephone and email assistance.

Provide oversight in campaign finance committee adherence to the statutory requirement, including reviewing, auditing, and performing cross checks, as established in Section 105.955.14 (2), (3), RSMo.

Investigate written complaints and conduct investigations, as established in Section 105.955.14, RSMo.

Perform legal actions related to investigations conducted.

Implementing campaign finance limits would require the following of the MEC:

Provide information to those committee officers and the public as specified in the Commission duties in Section 105.491, 105.955.14 (4), RSMo. about these limits; examples include providing education, developing informational materials, telephone and email assistance.

Assess the specific monetary surcharge, as proposed; this includes identifying those committees failing to adhere to the campaign finance contribution limits, sending out the necessary notices, tracking the receipt of payments, and coordinating/conducting any necessary collection efforts. Prior to the repeal of campaign finance limits in 2007, the Commission assessed limited, if any surcharges, related to the previously established limits, due to resource constraints.

Provide oversight in campaign finance committee adherence to the specific contribution limits, including reviewing, auditing, and performing cross checks of the reported contributions, as established in Section 105.955.14 (2), (3), RSMo. Prior to the campaign finance limit repeal in 2007, the Commission performed limited if any oversight to adherence to the previously established limits, due to resource constraints.

Respond to written complaints, as established in Section 105.955.14, RSMo., through conducting investigations and the related legal actions. Although campaign finance limits were repealed in 2007, the Commission has not seen any significant decrease in complaints received by the Commission.

Perform legal actions related to investigations conducted.

ASSUMPTION (continued)

The Commission projects an increase in required resources in conducting the duties outlined above. The implementation of the above responsibilities would require the following additional resources:

\$15,120 in expense and equipment to acquire contract services that would develop the MEC internal search capabilities for oversight of the campaign finance committees' adherence to the specific contribution limits, as established in 105.955.14, RSMo.. Current campaign finance data collection would allow the MEC to use search capabilities, providing for a manual review by MEC staff of adherence to the established limits.

One Investigator to accommodate anticipated increase in enforcement duties, as established in current state statute, related to the new provisions.

One Business Analyst to conduct the routine work necessary in reviewing and providing oversight for the proposed legislation. The Business analyst would review committee reports for compliance, prepare necessary notices, track the receipt of payment, and coordinate the necessary collection efforts. Currently two Business Analysts assist 2,800 committees in filing campaign finance reports, prepare and disseminate 15,000 notices, and review 11,000 campaign finance reports.

In 2008, Senate Bill 1038 repealed campaign finance contribution limits in Missouri. At that time, the Missouri Ethics Commission did not reduce its number of FTE due to the cutback in the number of complaints and investigations caused by the campaign limits being repealed. Therefore, **Oversight** assumes the current FTE should be able to handle the increased number of complaints and investigations due to the limits being reimposed. **Oversight** assumes this proposal has no fiscal impact on the Missouri Ethics Commission.

Oversight assumes the contribution limits go into effect on August 28, 2011.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Cost-</u> Missouri Ethics Commission one time computer upgrades	<u>(\$15,120)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$15,120)</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2012
(10 Mo.)

FY 2013

FY 2014

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The act establishes campaign contribution limits for individuals and committees. The limits are as follows for contributions made by or accepted from any person other than the candidate in an election and any committee:

\$2,000 for Governor, Lieutenant Governor, Secretary of State, Treasurer, Auditor, or Attorney General.

\$1,000 for Senators.

\$500 for Representatives.

\$500 for any other office, including judicial office, if the population of the area is under 100,000.

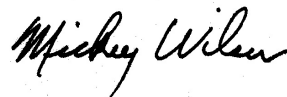
\$1,000 for any other office, including judicial office, if the population of the area is between 100,000 and 250,000.

\$2,000 for any other office, including judicial office, if the population of the area is over 250,000.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Ethics Commission



Mickey Wilson, CPA
Director
February 24, 2011